



THE JOINT CHIEFS OF STAFF
WASHINGTON 25, D. C.

18 January 1954

Dear Senator Ferguson:

This is in response to your inquiry requesting my views on the national security aspects of S. 2150, a bill which provides for the creation of the Saint Lawrence Seaway Development Corporation to construct part of the Saint Lawrence Seaway in U. S. territory, authorizes the corporation to consummate certain arrangements with the Saint Lawrence Seaway Authority of Canada relative to construction and operation of the seaway, and empowers the corporation to finance the U. S. share of the seaway cost on a self-liquidating basis and to establish cooperation with Canada in the control and operation of the Saint Lawrence Seaway.

The Joint Chiefs of Staff have carefully considered S. 2150 and have especially noted that, in contrast to previous bills in connection with the Saint Lawrence Seaway, the dams and power works which have been included as an integral part of former proposals, although still a condition precedent to our participation in the navigation works, will be financed separately by the Saint Lawrence Seaway Authority of Canada and an entity designated by the State of New York at no cost to the United States Government. Also for the first time, the deepening of the connecting channels in the upper Great Lakes is not included as part of this bill. United States participation under S. 2150 is therefore limited to the construction of deep-water navigation works including two canals and three locks in the International Rapids section, together with necessary dredging in the Thousand Islands section. It was noted in the Report of the Committee on Foreign Relations on S. 2150 that the total estimated cost to the United States for its part in the construction of the Saint Lawrence Seaway is \$105,000,000. It was further noted that the Saint Lawrence Development Corporation, which would be created by this bill, is to be self-liquidating.

The construction of this seaway would afford access of a relatively protected route to additional sources of high-grade iron ore. It is well-known that our own reserves of high-grade iron ore were materially depleted in World War II, and as a result we must increasingly rely in the future on alternative sources of supply. With every passing year, the depletion of these reserves in the Mesabi Range continues and the urgency of our need for a dependable, low-cost transportation link to the iron ore deposits in Quebec and Labrador increases. Construction of the seaway would afford the necessary access to these additional sources of high-grade iron ore. Furthermore, the rich iron ore deposits in Southern Newfoundland could also be profitably reached by this seaway. The importance of the project increases as accelerated exploration of the areas surrounding the